

## Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-05 H-01 INR-07  
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15  
USIA-06 AID-05 PC-01 IO-13 SAB-02 DHA-05 MCT-01  
EB-08 COME-00 TRSE-00 FEAE-00 /096 W  
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R 091628Z SEP 77  
FM AMEMBASSY CARACAS  
TO SECSTATE WASHDC 9165  
INFO AMEMBASSY BOGOTA  
USCINCSO QUARRY HTS CZ  
USCINCLANT NORFOLK VA

C O N F I D E N T I A L SECTION 1 OF 2 CARACAS 8933

E.O. 11652: GDS  
TAGS: PINS, PINT,( 0\$80, MILL, PGOV, VE  
SUBJECT: THIS WEEK IN VENEZUELA

REF: CARACAS 8723

SUMMARY: KING OF SPAIN VISITS VENEZUELA. VENEZUELA APPLAUDS  
PANAMA CANAL TREATY SIGNING. TERRORIST TEMPORARILY SEIZE  
SMALL TOWN IN ANZOATEGUI. ANOTHER PRESIDENTIAL CANDIDATE  
ENTERS THE RACE - THE COMMUNIST PARTY OF VENEZUELA NOMINATES  
HECTOR MUJICA. VICE ADMIRAL MAGIN LAGRAVE FRY APPOINTED  
NAVAL COMMANDER-IN-CHEF. BOSCH CASE - FISCAL GENERAL  
STATES SUPREME COURT WILL DECIDE WHETHER MILITARY COURTS  
HAVE COMPETENCE. END SUMMARY.

1. KING OF SPAIN VISITS VENEZUELA. SPANISH MONARCH JUAN  
CARLOS AND QUEEN SOFIA ARRIVED IN CARACAS ON SEPTEMBER 8 FOR  
A TWO-DAY STATE VISIT TO CELEBRATE THE 200TH ANNIVERSARY  
OF THE ESTABLISHMENT OF VENEZUELA AS A CAPTAINCY GENERAL.  
THE KING'S FIRST DAY IN CARACAS INVOLVED CEREMONIAL ACTIVITIES.

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2. VENEZUELA APPLAUDS PANAMA CANAL TREATY SIGNING. THE  
SIGNING OF THE PANAMA CANAL TREATY WAS AN UNQUALIFIED SUCCESS  
FROM THE VENEZUELAN VIEW. GOV SUPPORT FOR THE NEGOTIATION  
OF A NEW TREATY HAS BEEN INTENSE AND PRESIDENT PEREZ HAS  
LONG TAKEN A PERSONAL INTEREST IN THE SUCCESSFUL RESOLUTION  
OF THE ISSUE AS CRUCIAL TO OVERALL U.S.-LATIN AMERICAN  
RELATIONS. HE HAS CONSULTED REGULARLY WITH TORRIJOS, AT TIMES

COUNCELING MODERATION, AND WAS ONE OF THE PRIME MOVERS IN LAST MONTH'S BOGOTA SUMMIT. REALIZING THE NECESSITY OF HEMISPHERIC SOLIDARITY FOR THE TREATY, PEREZ STOPPED IN JAMAICA TO BRING JAMAICAN PRIME MINISTER MANLEY ALONG TO WASHINGTON IN HIS PLANE. MANLEY FAILED TO SHOW, CLAIMING ILLNESS AND SUBSTITUTED HIS FOREIGN MINISTER.) PEREZ'S EFFORTS ON BEHALF OF THE NEGOTIATIONS WERE HIGHLY PRAISED IN WASHINGTON BY PRESIDENT CARTER WHO DESCRIBED PEREZ AS "A FRIEND WHO HAD CONTRIBUTED POSITIVELY TO THE REACHING OF AN AGREEMENT OVER THE CANAL."

THE GOV'S INTEREST IN THE NEW TREATY HAS BEEN REFLECTED IN THE CARACAS PRESS WHICH FEATURED PANAMA CANAL MATERIAL DURING THE PAST SEVERAL WEEKS. MOST ACCOUNTS WERE HIGHLY FAVORABLE OF THE NEW TREATY AND THE SEPTEMBER 6 AND 7 EDITIONS OF ALL CARACAS DAILIES HEADLINED THE SIGNING CEREMONIES IN WASHINGTON. THE CEREMONY ITSELF WAS CARRIED LIVE VIA SATELLITE ON THE GOVERNMENT TELEVISION STATION.

3. TERRORISTS TEMPORARILY SEIZE SMALL TOWN IN ANZOATEGUI. IN A DARING EVENING RAID SEPTEMBER 4, SOME THIRTY ARMED MEN AND FOUR WOMEN TERRORISTS, DRESSED IN MILITARY UNIFORMS, SEIZED THE POLICE STATION IN CAIGUA, ANZOATEGUI STATE, AND HELD THE TOWN FOR SOME TWO AND ONE-HALF HOURS. THEY SET UP ROADBLOCKS TO PREVENT CARS FROM LEAVING THE TOWN, CUT COMMUNICATIONS LINKS TO THE OUTSIDE, AND THEN FORCED SOME CONFIDENTIAL

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THREE HUNDRED INHABITANTS OF THE TOWN OF 2,000 TO ASSEMBLE IN THE LOCAL SQUARE WHERE THEY EXHORTED THE PEOPLE TO USE REVOLUTIONARY VIOLENCE AGAINST THE GOV. THEY PAINTED NUMEROUS SIGNS PRAISING "BANDERA ROJA" (RED FLAG - BR), AND THE "ANTONIO JOSE DE SUCRE FRONT." THEY LEFT WITH A SMALL AMOUNT OF MONEY SEIZED FROM THE LOCAL TOWN HALL BEFORE THE AUTHORITIES ARRIVED.

INTERIOR MINISTER LEPAGE DENIED THAT THIS ACTION INDICATES THAT THERE IS A RESURGENCE OF GUERRILLA ACTIVITY, NOTING THAT SMALL ISOLATED TOWNS, WITH LIMITED POLICE PROTECTION, OFFER TEMPTING TARGETS FOR "UNRECONSTRUCTED" (INADAPTADOS) CRIMINALS, ALTHOUGH HE DID NOT DENY THAT THE TERRORISTS MAY HAVE INVOLVED ESCAPEES FROM "LA PICA" PRISON BREAK (SEE CARACAS 8274). DEFENSE MINISTER PAREDES BELLO CALLED THE TERRORISTS OUTLAWS, AND SAID THE ARMED FORCES WERE TAKING ALL MEASURES TO CAPTURE THE GROUP.

COMMENT: THE RAID CAME ON THE HEELS OF PUBLICATION IN THE CARACAS PRESS SEPTEMBER 3 OF PHOTOS OF SIX MEN IN FULL COMBAT FIELD UNIFORMS WITH RIFLES WHICH HAD BEEN SENT TO THE PRESS BY THE "FRENTE AMERICO SILVA" OF BR. THE PHOTOS

WERE OF SIX OF THE ESCAPEES FROM "LA PICA" PRISON BREAK.  
THE DOCUMENTS WHICH CONTAINED THE PHOTOS ALSO STATED THAT  
"LA PICA" PRISON BREAK WAS ORGANIZED FROM THE OUTSIDE,  
WITHOUT THE ASSISTANCE FROM INSIDE THE PRISON. THESE  
DRAMATIC DEVELOPMENTS WERE A PROPAGANDA COUP FOR THE  
INSURAGENTS, SINCE THEY BELIED THE ASSERTIONS OF GOV  
AUTHORITIES THAT THE TERRORISTS IN THE EASTERN STATES ARE  
MERELY CRIMINALS WITHOUT ANY POLITICAL MOTIVATION. THEY ALSO  
DEMONSTRATED THAT BR AND THE ANTONIO JOSE DE SUCRE GROUPS,  
WHICH MAY WELL HAVE BEEN ASSISTED BY "LA PICA" ESCAPEES, ARE  
WILLING TO RUN SUBSTANTIAL RISKS TO GAIN PUBLICITY.

AS NOTED IN THE RECENT EMBASSY ASSESSMENT OF INSURGENCY  
ACTIVITIES IN VENEZUELA (CARACAS A-104) THESE RURAL INSURGENTS  
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MAINTAIN THE CAPACITY FOR ACTION AGAINST RURAL SETTLEMENTS  
AND SMALL TOWNS IN MONAGAS AND ANZOATEGUI, BUT THEY DO NOT  
POSE A SERIOUS THREAT TO THE REGION OR TO THE GOV. THE  
SEIZURE OF CAIGUA MAY ALSO INDICATE THAT CARLOS BETANCOURT  
(THE LEADER OF THE SUCRE FRONT) WHO ALLEGEDLY BROKE WITH  
BR HAS DECIDED TO COLLABORATE WITH HIS FORMER COMRADES-IN-  
ARMS.

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R 091628Z SEP 77  
FM AMEMBASSY CARACAS  
TO SECSTATE WASHDC 9166  
INFO AMEMBASSY BOGOTA  
USCINCO QUARRY HTS CZ  
USCINCLANT NORFOLK VA

C O N F I D E N T I A L SECTION 2 OF 2 CARACAS 8933

4. ANOTHER PRESIDENTIAL CANDIDATE ENTERS THE RACE - THE COMMUNIST PARTY OF VENEZUELA SELECTS HECTOR MUJICA. DURING THE AUGUST 3-4 CONVENTION OF THE COMMUNIST PARTY OF VENEZUELA (PCV), JOURNALIST AND PROFESSOR HECTOR MUJICA WAS PRONOUNCED THE PARTY'S PRESIDENTIAL CANDIDATE BY ACCLAMATION. MUJICA WHO IS ALSO THE PRESIDENT OF THE NATIONAL COLLEGE OF JOURNALISTS TOLD THE 700 DELEGATES THAT HIS CANDIDACY WAS OPEN TO ALL THOSE WHO "HAVE NOT SOLD THEIR SOULS TO THE PETROLEUM DEVEL AND WHO WANT REVOLUTION." IN HIS ACCEPTANCE SPEECH HE CRITICIZED THE GOV'S HANDLING OF THE PETROLEUM NATIONALIZATION SAYING THAT IT WAS ALL SECRETLY NEGOTIATED WITHOUT THE CONSENT OF THE PEOPLE AND THAT THE TECHNICAL ASSISTANCE CONTRACTS MADE VENEZUELA MORE DEPENDENT AND MORE VULNERABLE. A MUJICA LET GOVERNMENT WOULD EMPHASIZE BETTER EDUCATION, SPORTS AND NUTRITION PROGRAMS, AND AGRICULTURAL REFORM. MUJICA ALSO MADE A CALL FOR THE LEFTIST ELEMENTS WITHIN THE COUNTRY TO UNITE AND BLAMED MAS FOR THE SPLINTERING ON THE LEFT THAT HAS OCCURRED.

COMMENT: MUJICA'S CALL FOR UNITY REFLECTS THE PCV REALIZATION THAT A VARITY OF LEFTIST CANDIDATES IN THE PRESIDENTIAL  
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RACE WILL SERVE ONLY TO EDUCE THE VOTES ANY ONE LEFTIST  
CANDIDATE WILL RECEIVE.

5. VICE ADMIRAL MAGIN LAGRAVE FRY APPOINTED NAVAL COMMANDER-IN-CHIEF. VICE ADMIRAL MAGIN LAGRAVE FRY WAS NAMED THIS WEEK TO REPLACE VICE ADMIRAL FELIX MENDOZA ACOSTA AS NAVAL COMMANDER-IN-CHIEF. MENDOZA ACOSTA WAS RECENTLY APPOINTED TO THE JOINT CHIEFS OF STAFF. FORMERLY THE CHIEF OF NAVAL OPERATIONS, VICE ADMIRAL LAGRAVE HAS BEEN A NAVAL OFFICER SINCE 1949. HE HAS STUDIED IN THE UNITED STATES. IN A RECENT INTERVIEW, ADMIRAL LAGRAVE TOUCHED UPON THE CIVIC CONTRIBUTIONS THE NAVY COULDMAKE TO VENEZUELA AS WELL AS MARITIME DEFENSE. UNDER HIS DIRECTION, THE NAVY WILL COOPERATE WITH THE NATIONAL PORT INSTITUTE TO ALLEVIATE PORT CONGESTION; NAVAL ENGINEERS WILL WORK IN THE SOUTHERN PART OF THE COUNTRY TO HELP IN FLOOD CONTROL AND THEY WILL LAUNCH OCEANOGRAPHIC STUDIES. HE ALSO STRESSED HIS INTENTIONS TO IMPROVE THE TECHNICAL TRAINING OF ALL NAVAL PERSONNEL.

6. BOSCH CASE - FISCAL GENERAL STATES SUPREME COURT WILL DECIDE WHETHER MILITARY COURTS HAVE COMPETENCE. THE FISCAL GENERAL OF THE REPUBLIC, DR. JOSE RAMON MEDINA, IN A PUBLIC COMMUNIQUE SEPTEMBER 2 STATED THAT IN THE CASE OF ORLANDO BOSCH, FREDDY LUGO, LUIS POSADA, AND HERNAN RICARDO, VENEZUELA LAW REQUIRES THAT THE SUPREME COURT DECIDE WHETHER THE MILITARY COURTS HAVE COMPETENCE TO TRY THE CASE. MEDINA NOTED THAT ON

AUGUST 13, THE CIVIL JUDGE TRYING THE CASE HAD MADE FORMAL FINDING THAT THE CASE CAME UNDER MILITARY JURISDICTION AND HAD THEREFORE TURNED THE CASE OVER TO MILITARY JUDICIAL AUTHORITIES. HIS COMMUNIQUE SAID THAT THE SUPREME COURT IS THE APPROPRIATE AUTHORITY TO DECIDE QUESTIONS OF JURISDICTION BETWEEN DIFFERENT COURTS.

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COMMENT: THE DEFENSE LAWYERS HAVE RESIGNED, AND REFUSED TO DEFEND THEIR CLIENTS BECAUSE THEY MAINTAIN MILITARY TRIAL WOULD BE UNCONSTITUTIONAL. WHILE THE EXACT IMPETUS FOR THE FISCAL GENERAL'S DECISION IS NOT CLEAR FROM THE PRESS COVERAGE, THE EMBASSY PRESUMES THE GOV ASKED THE FISCAL GENERAL TO RULE ON THE QUESTION OF THE MILITARY COURTS' COMPETENCE, IN ORDER TO GET THE CASE BEFORE THE SUPREME COURT. THE GOV IS CONFIDENT (CARACAS 8631) THAT THE SUPREME COURT WILL DECIDE IN THE GOV'S FAVOR.

7. OTHER REPORTING THIS WEEK INCLUDED PSOE'S GONZALEZ VISIT TO VENEZUELA (CARACAS 8862), PETROLEUM NATIONALIZATION: POSSIBLE SETTLEMENT OF TAX ISSUE DISCUSSED (CARACAS 8695), GOV REQUEST FOR DIALOGUE ON MULTILATERAL TRADE ISSUES (CARACAS 8698), OCCIDENTIAL BRIBERY CASE REVISED (CARACAS 8694), VENEZUELAN TAX ON EXIM BANK (CARACAS 8822), PROPOSED NATIONAL CONSTRUCTORS ASSOCIATION IOGA TRADE MISSION TO VENEZUELA (CARACAS 8755), AND MAJOR PROJECTS - CORPOZULIA STEEL AND COAL PROJECTS (CARACAS 8865).  
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## Message Attributes

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Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
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